(In million tonnes)

	1994-95		1995-96		1996-97	
	Demand	Supply	Demand	Supply	Demand	Supply
Steel	34.50	34.56*	38.70	35.80*	40.50	34.80*
Power	174.00 (3.00)	166.45 (2.67)	191.00 (4.00)	187.79	210.00	202.71
Cement	13.10	11.12	15.30	11.00	17.50	11.25
Railways	2.20	0.66	0.70	0.27	0.40	0.12

*Includes imported coal.

(c) and (d) Adequate quantity of coal is being supplied to the power sector. As the PLF and the units generated are increasing year to year, decrease in supplies has occurred in some cases because of lack of demand consequent to decrease in power generation and also non-payment of coal supply dues. With regard to the cement sector there has been a sluggish demand and consequently several cement plants have not filed their programmes for lifting the linked quantity. Further, certain coast based cement plants import their coal requirements and these figures are not reflected in the above supply figures. As regards the steel sector, the full demand cannot be met from domestic sources because of quality constraint. Certain amount of coal has to be imported for blending and for direct feed purposes on technical considerations Supplies to Railways are coming down because of increased conversion to diesel and electric tractions.

(e) The steps being taken to increase production of coal are the following :-

(i) Increase in production from existing mines and by opening new mines.

(ii) Increase in efficiency.

(iii) Increase in investment in the coal sector by enabling coal mining by private companies for captive consumption.

Demand and Production of Paper

*599. SHRI B.L. SHANKAR : Will the Minister of INDUSTRY be pleased to state :

(a) the total demand and production of paper in the country during 1996-97 upto March 31, 1997;

(b) the quantity and value of the paper imported during the said period;

(c) efforts made by the Government during the Eighth Five Year Plan to increase the production of paper in the country; and

(d) steps proposed to be taken during 1997-98 and the Ninth Five Year Plan to fill the gap between demand and production of paper in the country ?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) and (b) Total demand and production of paper during 1996-97 (upto February, 1997) is as follows :-

(lakh tonnes)

Year	Demand	Production
1996-97	30.28*	25.52

*Source : Report of the Committee on Action Plan for Pulp & Paper Industry-1996.

(b) During 1996-97 (upto 28.2.1997) 1.65 lakh tonnes of paper was imported at a value of Rs. 646.87 crores.

(c) The Government has taken the following steps to increase the production/availability of paper in the country during the 8th Five Year Plan :-

(i) Paper units based on minimum 75% pulp derived from non-conventional raw materials are exempted from compulsory liensing subject to locational policy.

(ii) Low excise duty of 5% is levied on paper manufactured with not less than 75% non conventional raw material.

(iii) Custom duty on the import of paper has been brought down from 65% to 20%.

(iv) Excise duty on wood based paper & paper board

wood based has been brought down from 20 to 18% in the current budget.

(v) Customs Duty on the import of coal and chemicals used in the Paper Industry has been considerably brought down.

(vi) Customs Duty on the import of wood logs and wood chips has been brought down from 10% to zero.

(vii) Central Pulp & Paper Research Institute, an autonomous institute under the Government has done significant work in the field of research and development for paper industry like chemical recovery system, raw-material studies and other innovations which have helped to increase the production of paper in the country.

(viii) As a result of liberalised industrial policy introduced in 1991, 502 Industrial Entrepreneur Memorandums with a capacity of 83.52 lakh tonnes per annum have been filed for the manufacture of paper etc.

(d) Domestic supply of paper is growing in tandem with increase in demand. Domestic industry is geared to meet the broad based and growing demand for paper and paper-boards.

High Cost of Production of Export Items

*600. SHRI L. RAMANA : Will the Minister of COMMERCE be pleased to state :

(a) whether the cost of production of export items in the country is more as compared to other developing countries;

(b) if so, the reasons thereof;

(c) whether obsolete equipments, poor management and low labour productivity are the problems faced by the exporters;

(d) if so, whether it is a fact that exporters are unable to compete their products in the international market due to the above problems; and

(e) if so, the steps taken in this regard ?

THE MINISTER OF STATE OF THE MINISTRY OF LAW AND JUSTICE (SHRI RAMAKANT D. KHALAP) : (a) to (e) Sir, export performance is dependent inter alia on international factors such as market conditions, tariff and non-tariff barriers, besides domestic parameters such as the policy framework and procedures, state of domestic infrastructure, export competitiveness of export items etc.

India's export basket contains a large number of items and no specific study has been done by the Government for all the export commodities regarding the cost of production in the country vis-a-vis other developing countries. It might, however, be mentioned that in addition to the cost of production, other factors which influence export competitiveness include inter alia lack of export subsidies, high cost of infrastructure due to inefficiency in energy, transport, ports etc., cost of export credit, productivity of the factors of production etc.

Government monitors the trade performance on a continuous basis and export promotion measures are continuously being taken through changes in policies and procedures to provide for an export friendly environment, involving the States in export promotion, consultations with trade and industry of initiation of appropriate remedial measures to tackle general as well as sector-specific problems as warranted from time to time.

Grants to Disinvestment Commission

6470. SHRI MOHAN RAWALE : Will the Minister of INDUSTRY be pleased to state :

(a) whether the World Bank has granted Rs. 1.75 crore to the Disinvestment Commission;

(b) if so, the details thereof; and

(c) the areas where this amount is likely to be invested ?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) to (c) The I.B.R.D. (World Bank) have indicated their agreement to make to India a grant in an amount not exceeding US $ 495000. This is meant for the Disinvestment Commission and will mainly finance short-term and long-term consultants for the next 2 years. The concurrence of the Government has so far not been conveyed to the World Bank or the agreement counter-signed.

Public Sector Undertaking

6471. SHRI RAM NAIK : Will the Minister of INDUSTRY be pleased to state :

(a) whether the Cabinet Committee on Economic Affairs have decided to recover the outstandings of around Rs. 15,000/- crores against the Public Sector Undertakings;

(b) if so, the details of these outstandings, undertaking/wise and state-wise; and

(c) the efforts made so far to recover the amount